

Corporate Social Responsibility

Our Purpose

is the sustainable improvement of global animal health and welfare.

The Board takes ultimate responsibility for Corporate Social Responsibility (CSR) and is committed to developing and implementing appropriate policies that create and maintain long term value for shareholders. During the year, our newly formed CSR committee, made up of representatives from across the Group, reviewed the Group's CSR strategy along with the various frameworks for reporting, and published sustainability reports on Dechra, the latter identified reporting gaps where we could have provided more information on our activities.



With this in mind and sustainability at the heart of our Purpose, we have chosen to link our CSR strategy to the United Nations Sustainable Development Goals (SDGs) as we felt that this would provide a framework for our activities and subsequent communication thereof. We have retained the four pillars (Community, Business, Environment and People) of our CSR strategy, and we compared our objectives for these pillars with the SDGs. We identified that our activities would impact ten of the 17 SDGs of which three would be material. The three SDGs in which we can have the most material impact are Quality Education, Decent Work and Economic Growth and Responsible Consumption and Production.

We are in the process of gathering data so that we can set targets for our objectives and hope to report on these targets next year.

Most material UN SDGs

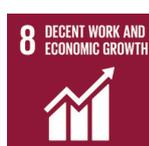


UN Goal: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Dechra's Impact: Providing educational programmes and solutions to improve animal health and welfare

Relationships with veterinarians are core to the business and we:

- enhance the health of animals by providing vital education for animal health professionals;
- provide added value services in the form of educational programmes focused on key therapeutic areas; and
- work with academia to support the development of new drugs as well as educational programmes.



UN Goal: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Dechra's Impact: Enhancing the skills of our workforce, planning for a successful future and improving the working lives of our people

Committed to enhancing the skills of our workforce by:

- aligning employee efforts and driving productivity through effective goal setting, feedback and focus on development;
- offering internships, apprenticeships and placements Group-wide;
- providing training opportunities to young people and/or disadvantaged people;
- routinely investing in safety of employees; and
- providing a healthy workplace to improve the working lives of our people.



UN Goal: Ensure sustainable consumption and production patterns

Dechra's Impact: Minimising the impact of our operations on the environment

Adopting responsible environmental practices and giving consideration to minimising the impact of operations on the environment by:

- reducing packaging materials and pallets;
- using sustainable raw materials in nutrition range;
- optimising energy use through various means; and
- investing in eco-friendly and cost-effective distribution systems.

Corporate Social Responsibility continued

Our People



Stakeholders Involved

- Employees

Linkage to UN SDGs



Key Focus Areas

- Culture and Values
- Talent Management and Engagement
- Fair Employment Practices
- Diversity and Inclusion
- Safe Working Practices

Policy

- A great and safe place to work.

Objectives

- strengthen and communicate the Dechra culture and strive to ensure our Values encompass our business ethics and standards;
- attract, retain and develop talent to build and maintain a top quality team;
- comply with national legal requirements regarding wages and working hours;
- value the difference and diversity of people, recognise that their skills and abilities are strengths that can help us to achieve our best; and
- reinforce a culture of safe working practices.

→ Read more about [Our People](#) on pages 52 to 57

Our Environment



Stakeholders Involved

- Employees
- Local Community

Linkage to UN SDGs



Key Focus Areas

- Waste
- Energy
- Sustainable raw materials

Policy

- We are committed to minimising the impact of our operations on the environment by adopting responsible environmental practices and complying with applicable environmental legislations.

Objectives

- prudent use of all natural resources, the minimisation of waste in all activities, and the appropriate disposal of waste;
- optimise the energy we use, improve energy effectiveness through initiatives on transport and reduce our greenhouse gas emissions; and
- use sustainable raw materials in our nutrition range wherever practicable.

→ Read more about [Our Environment](#) on pages 58 to 62



Our Business



Stakeholders Involved

- Employees
- Veterinary Professionals
- Suppliers and Distributors
- Universities and Key Opinion Leaders

Linkage to UN SDGs



Key Focus Areas

- Life of our Products
- Veterinary Professionals
- Ethics

Policy

- To provide innovative products and, technical and educational support to veterinarians.
- We are committed to acting responsibly and with integrity.

Objectives

- develop and promote products to improve animal welfare;
- maintain and improve the knowledge and skills of veterinarians who prescribe and use our products; and
- act with honesty and with integrity.

→ Read more about [Our Business](#) on pages 63 to 66

Our Community



Stakeholders Involved

- Local Community
- Charities and non-profit organisations

Linkage to UN SDGs



Key Focus Areas

- Community Activities
- Community Donations
- Community Employment

Policy

- To contribute to the social and economic welfare of the local communities in which we operate.

Objectives

- contribute towards charitable causes through the donation of time, products and skills.

→ Read more about [Our Community](#) on pages 67 and 68



Corporate Social Responsibility continued

Our People

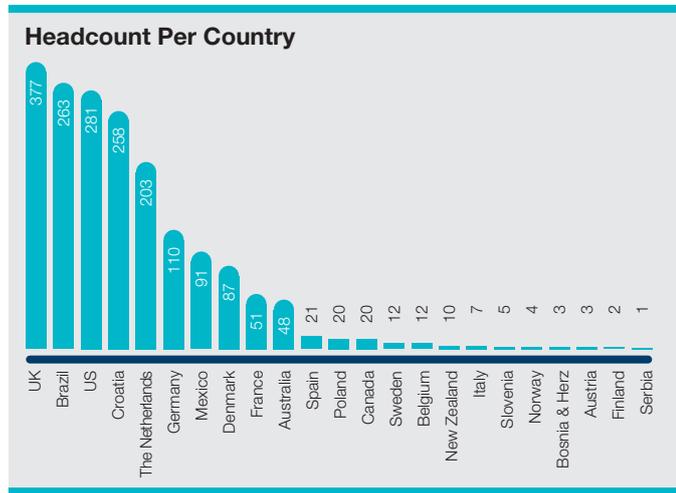


12.4% Employee Turnover **52%** Females in Workforce **0.17** Lost Time Accident Frequency Rate

We employ approximately 1,900 employees in 25 countries in a wide range of working environments including manufacturing, logistics, laboratories, offices and mobile working. At Dechra, we acknowledge that our people are our greatest asset and know that an inclusive culture is beneficial for our business performance. Our ongoing objective is to continue to be a purpose focused business driven by high performing and committed teams.

We are committed to the following focus areas:

- Culture and Values: strengthening and communicating the Dechra culture and striving to ensure our Values encompass our business ethics and standards;
- Talent Management and Engagement: attracting, retaining and developing talent to build and maintain a top quality team;
- Fair Employment Practices: complying with national legal requirement regarding wages and working hours;
- Diversity and Inclusion: valuing the difference and diversity of people, recognising that their skills and abilities are strengths that can help us to achieve our best; and
- Safe working practices: reinforcing a culture of safe working practices.



Our original people plan was developed six years ago to support the delivery of the Group's five year plan.



Following significant progress, we adapted the people plan in the 2017 financial year to support the delivery of the evolving business goals and the continuous expansion of the Group.

- 1 Accelerate Performance:**
Align employee efforts and drive productivity through effective goal setting, feedback and focus on development.
- 2 Grow Our Own Talent:**
Attract, retain and develop the right talent in the right place at the right time.
- 3 Strong Culture and Values:**
How we do things around here.
- 4 Engaged and Committed Workforce:**
A great place to work.
- 5 Healthy Workplace:**
Improving the working lives of our people.
- 6 Shared Services and Systems:**
Efficient infrastructure supporting commercial operations.

Culture and Values

Our Values, entrepreneurial attitude and agile approach to the way we do things are the backbone of our Culture. We expect our people to make a difference by working together and we support them by providing clear guidance on expectations.

We believe that our Values encapsulate our business ethics and set the standards that we wish to achieve and ultimately exceed. They outline the type of people we are, the services we provide and the way we aim to do business.

Dedication

- We are dedicated to delivering products and services that meet the highest level of service and quality to our customers
- We continually look to better our ways of working, resulting in a culture of continuous improvement
- We encourage people to make decisions

Enjoyment

- We provide challenge for our people within their roles to help them be motivated and engaged and encourage learning and development
- We endeavour to create an environment where our people want to come to work and feel a part of Dechra
- We generate enthusiasm and energy through positive thinking and actions

Courage

- We want a business where we dare to challenge each other, where innovation and creativity can flourish
- We encourage each person to be proactive and to take initiatives, creating a strong and competitive spirit
- We encourage everyone to have confidence in themselves and have the strength and character to question the status quo

Honesty

- We act with integrity and fairness and treat everyone with respect; in our business every job is important
- We are honest and open in all interactions
- Openness is supported at all levels of the organisation

Relationships

- We see our customers and suppliers as business partners and thereby work together to achieve common success
- We know that success is built on collaboration and cross-organisational teamwork to produce better results together

Ambition

- We are purpose driven and deliver solid results through our energetic and resilient approach
- Our ambitions mean that we deliver the highest possible levels of quality and services to our customers and to each other

Our Values are supported by our Code of Conduct. We encourage all employees if they see or suspect something which they believe to be a breach of Dechra's standards of conduct, to report their concerns via our How to Raise a Concern procedure. We offer four reporting channels for concerns to be raised: Line Manager; the Senior Management Team; Group Management Team; and a mailbox accessed only by the Company Secretary. Every effort will be made to protect confidentiality to encourage reporting. The How to Raise a Concern procedure has been translated into eight languages.

We will fully investigate reports and take appropriate actions to address these. The actions taken will depend on the circumstances and the severity of the issues identified. These actions may include process improvements, training and coaching, or formal disciplinary actions up to and including termination of employment for the most severe issues. The Board receives a summary of the investigation reports.

Corporate Social Responsibility continued

Talent Management and Engagement



28

Interns

239

Delta Courses

Talent Management

Dechra is committed to enhancing the skills of our workforce, planning for a successful future and creating a sustainable talent pipeline.

Delta

Since July 2016, we have been utilising an e-learning management system, Delta, which hosts courses on topics ranging from induction and software skills to compliance matters such as pharmacovigilance and ABC. In February the Digital Learning Team launched a new version of Delta, the culmination of 18 months of effort. The new system is part of our five year Learning and Development strategy and is intended to

improve the user experience, accessibility and compliance. This also marks a shift in training methodology from one where we push training onto our employees, to one in which the user pulls the desired training content themselves.

In addition to using the most up-to-date design principles, we are now also running internal communications and HR campaigns from within the system, maximising the exposure to our employees.

Over the past 12 months 71 new courses, including a number of COVID-19 courses and our new onboarding course, were made available. More recently, the impacts of COVID-19 have demonstrated just how valuable a resource our Delta platform is, with a surge in usage of over 200%.

Planned projects for next year include the expansion of the Digital Learning Team, additional soft skill training courses and the introduction of artificial intelligence (A.I.) powered content recommendations.

However, this is only one element of training that we provide, and although we do not currently collate training hours across the Group, we provide other forms of training to our employees, placement students and graduates.

DPM Leadership Programme



Under Simon Francis' leadership, a number of internal promotions were made whilst he built the management team of Dechra Pharmaceuticals Manufacturing & Supply (DPM&S), and he also recruited a number of new team members from outside the Dechra Group. As part of bringing this team together to perform at their best, a progressive approach to leadership development was implemented.

The development programme's strategic intent was:

- to develop fit for purpose senior leadership by improving readiness and capabilities that deliver success; and
- building confidence for internal and external stakeholders that the business has access to talented, ready now and emerging leaders.

The key learning objectives of the programme for the team are to build on executional excellence, develop the capacity to build and establish value creating teams, have an agile and future facing leadership, and continue to focus on having an inclusive approach and being culturally aware.

As the programme content was being developed, the pandemic broke out and the brunt of the impact of COVID-19 fell on the DPM&S leadership team as they managed to maintain site operations throughout. Keeping our people safe through the constantly changing working environment was the number one priority, together with maintaining supply of vital products to our customers. During this difficult time the team sadly lost their leader, colleague and friend Simon Francis to COVID-19.

Following the appointment of Milton McCann into the Interim Manufacturing Director role it was agreed that investing in the team was even more important now. Although, now no longer able to meet face to face to undergo planned development sessions, delivery of the programme has transitioned to a digital platform. This has been co-designed with Create Express using a variety of leading edge tools including gamification, social learning, learn and unlearn techniques, forming excellence as a habit and broadening business acumen.

Moving the programme into the virtual realm, for 16 people, across four time zones and six global locations together with keeping business as usual running during a pandemic has been no mean feat. The launch of the programme took place at the start of June, commencing with psychometric and cognitive assessments of the team, and has been followed by online team business simulations, team and peer coaching and virtual content which will continue to be delivered during the rest of 2020.

Kevin Villalongo, who joined the Company as the Site Director at Fort Worth on 16 March 2020 said: "This programme has enabled me to meet the team virtually, gain a rapid understanding of the skills I need for the future and has shown me that the Company wants to invest in me, especially at this time which is really encouraging. Facing our future together is really positive."

Catherine Dent, Group HSE Director commented: "It's been great that we have been able to continue with our personal and team development throughout the pandemic. Over the last few months many things have been paused due to our response to the global crisis, therefore it demonstrated real commitment from Dechra and it was exciting when we received our invitations to the virtual Leadership Development programme. In addition to learning more things about ourselves and our own development areas, doing this virtually also helps us to adapt to new remote ways of working and is helping us reach out across country borders and work more effectively with colleagues. We may not be in the same room but we are all still really connected and having fun."

The programme is being designed using an iterative approach which enables the team and individual inputs to be tailored based on the initial stages. The next steps for the programme are to roll out a similar model to the emerging leaders across DPM&S and, where appropriate, to other key functional groups across the Group.

Apprenticeships and Internships

We believe that offering internships and apprenticeships is a great way to attract new employees to Dechra. We offer a small number of internship opportunities each year. We have been delighted with the quality of young people who have worked with us and we hope that the experiences of working with Dechra will support them in their future careers. We currently have 14 interns in Europe and 10 in Brazil.

Engagement

Informing and engaging our employees through internal channels of communication is of utmost importance to the Group. We have multiple channels of communication to provide both formal and informal updates including a Group newsletter that is issued twice a year (following the half-yearly and year end results), intranets, management and team meetings at the business units. These keep our employees informed of the financial performance of the Group, as well as the sharing of updates which are relevant to all Group employees such as management and team changes, progress in relation to strategic objectives and updates on corporate social responsibility objectives. Wherever possible, we

seek to engage our employees in change projects. We also have a small number of Works Councils we regularly meet with.

In order to continue to retain our qualified and skilled employees, and to attract new employees we conducted an Employee Engagement Survey in March 2018 using the Great Place to Work (GPTW) survey. The results of the survey were disclosed in the 2018 Annual Report. The survey was rolled out to the newly acquired Brazilian business in May 2019, the results of which are detailed in the below case study. We were proposing to launch the second Group-wide survey in March 2020; however, due to COVID-19 we decided to postpone this. In June, we carried out a COVID survey hosted by Great Place to Work which approximately 650 of our employees were able to respond to. We were very pleased with the survey results where we scored above the benchmark in the majority of the 16 statements.

During the year, Lisa Bright, in her role as the Employee Engagement Designated Non-Executive Director, met with the employee elected Works Council at our Skipton, UK site. Further information on this can be found on page 90.

Employee Engagement Survey in Brazil



Our Dechra entity in Brazil is a relatively new acquisition (December 2018) and a clear step into a fascinating market both culturally and commercially. One of the first activities the management team decided upon was to make employees feel engaged with the parent company and understand that they were now employed by a larger multinational organisation who would have different demands, expectations and opportunities.

To support the strategic people plan, in May 2019 they took part in 'The Great Place to Work' survey. One of the statistics, not unsurprisingly, was a certain level of mistrust with the Trust Index only reaching 63%. It was important to demonstrate tangibly that Dechra's intentions were to invest in the business to increase site capacity, production quality and regulatory compliance. However, of equal importance was to also invest in improving the working conditions.

The survey highlighted the rest facilities for use between shifts and the parking arrangements, as both being inadequate.

The business quickly addressed these concerns by converting:

- a redundant maintenance building into two spaces, the first a quiet zone with comfy seating for people to sleep, read or listen to music and a second space for a more communal area where there is a coffee machine, a table tennis table and other rest facilities; and
- a disused area, known locally as a chacara, a small plot of land, into parking. This space had become over grown and unsightly, so whilst needing some attention, it provided an excellent opportunity to build a 120 parking space car park with secure electronic gates.

The other action the Brazilian management team took was to create Engagement Teams, which consist of a communication team, a Values team and a people development team. These three teams are composed of employees from different areas of the business, with each team sponsored by one of the managers. Their role and responsibility is to bring ideas and solutions from the employees. This has meant that Dechra's employees can genuinely be part of the solution and evolution of the Company in South America.



Chacara before



Chacara after

Corporate Social Responsibility continued

Diversity and Inclusion



It is the Group's policy to recruit and promote people on the basis of their personal ability, contribution and potential, regardless of age, gender, sexual orientation, marital status, race, colour, ethnicity, disability, religion, political affiliation or union membership. We are committed to seeing that everywhere across our Group we promote, support and maintain a culture of fairness, respect and equal opportunity for all.

The Group gives full consideration to applications from disabled people, where they adequately fulfil the requirements of the role. Where existing employees become disabled, it is the Group's policy, whenever practicable, to provide continuing employment under the Group's terms and conditions and to provide training and career development whenever appropriate.

The Group does not tolerate bullying or harassment.

84% of our employees responded positively to the statement regarding diversity in the workplace in our employee engagement survey (2018 Engagement Survey). We firmly believe that our Dechra Values support the culturally diverse business that we have become, and although we are separated by time zones, geographically and by language we share common goals and ways of working that are underpinned by our Values.

The Board, via the Nomination Committee, reviews the Diversity Policy and its implementation on an annual basis. Further details can be found in the Nomination Committee Report on pages 101 to 103.

Fair Employment Practices



We are committed to fair employment practices and comply with national legal requirements regarding wages and working hours. In the UK, only one of our subsidiaries is required to report under Gender Pay Gap regulations, and we are pleased to report that our gender pay median gap has reduced from 17.7% in 2017 to 9.2% in 2018 and further again to 7.4% in 2019. This reduction is largely driven by an increase in the number of women in senior and technical roles.

→ Read more about our [Fair Employment Practices](#) on page 66

Dignity at Work



Last year we acknowledged that as we continue to grow our business globally, we have to provide clear and accessible guidelines that make clear to all our employees how to behave whilst at work or representing Dechra. Our Values are at the heart of everything that we do, and we have developed a framework of guidance that all managers and staff need to know about. We want an open and transparent working environment where all our staff are treated equally and have the same opportunities, where problems can be raised and resolved in a timely fashion and where there is zero tolerance of inappropriate behaviours.

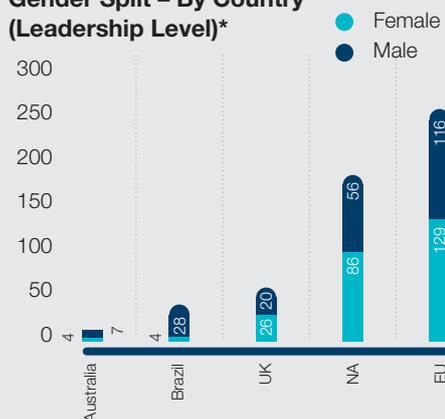
With this in mind, we introduced a new Dignity at Work policy that includes our approach to diversity and inclusion, bullying and harassment and employment of relatives and relationships at work. The policy has been launched in the UK and we are rolling out a global version of the policy by region.

In order to support this new policy, we partnered with ACAS* to develop an in-house training programme for all managers in the UK. The training was delivered over four days and in addition to covering the content of the policies, we also focused on provision of skills training to help managers deal with any of the issues covered in our employment policies, including handling investigations, when and how to escalate issues, dealing with the consequences of unacceptable behaviour and handling difficult conversations.

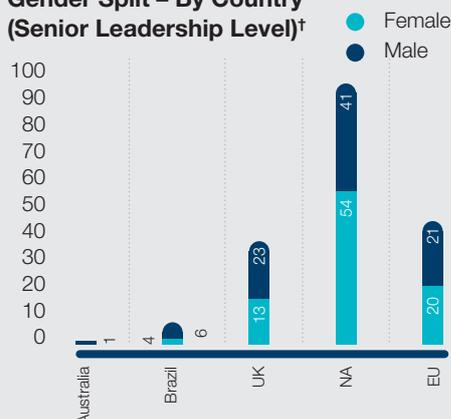
We also spent a day of the training focused on dealing with mental health issues in the workplace. Given the impact of COVID-19 on our face-to-face training options, we are now in the process of finding a digital delivery solution for the remainder of the programme during 2020. We plan to roll out similar management training across our other territories during the 2020/2021 financial year.

* Advisory, Conciliation and Arbitration Service

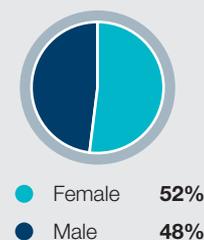
Gender Split – By Country (Leadership Level)*



Gender Split – By Country (Senior Leadership Level)†



Gender Split Across Group



* Leader means managing a small to mid-size team.

† Senior Leader means Senior Executive Team and the leadership level immediately below.

Safe Working Practices



Tony Griffin is the nominated Director responsible for health, safety and environmental matters. The Group attaches great importance to the health and safety of its employees. Management are responsible for, and committed to, the maintenance, monitoring and promotion of a policy of health and safety at work to nurture the care and wellbeing of our employees, contractors and on-site visitors.

During the year, we have promoted the Manufacturing Health and Safety Manager, Catherine Dent, to the post of Group HSE Director. She has the remit of standardising our procedures and working so that high standards of health and safety are maintained.

Due to the nature of our Manufacturing employees' roles, we have identified these as our higher risk employees with regards to health and safety. Health and Safety is a critical part of our Manufacturing business and we aim to always put safety first to prevent injury and harm to everyone working on behalf of Dechra. Everyone has the right to work safely, whatever their role, and it is our vision to make our business an environment where no one gets hurt. To develop further a strong culture of health and safety within this employee group, the Occupational Health and Safety Policy for Manufacturing and Supply was launched.

The Policy states our commitment to safeguarding the Health and Safety of all employees, contractors and visitors and also describes our Health and Safety Principles. These clear statements are directly aligned to the Dechra Values and summarise our shared beliefs about the importance of Health and Safety within our business:

Dedication: We will never look away and always step in if we see someone in danger.

Enjoyment: Everyone has the right to work in safe and healthy conditions.

Courage: Everyone is empowered to stop any process or work that they feel is unsafe.

Honesty: No activity is so urgent or important that it cannot be done safely.

Relationships: Health and Safety is everyone's responsibility.

Ambition: We believe that work related injuries and ill health are preventable.

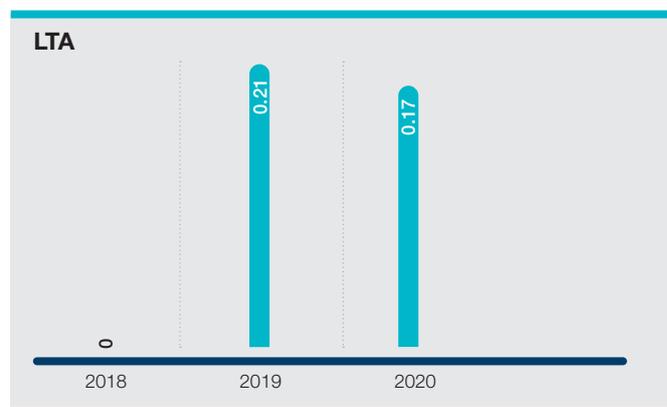
This Policy was sponsored by the Group Manufacturing & Supply Director and launched with a Line Manager led cascade to all employees. The Policy will be further promoted by each Site Director throughout the coming year.

To provide clear governance for health and safety across DPM&S, the Health, Safety and Environmental (HSE) Steering Committee was formed. Chaired by the Group Manufacturing & Supply Director and attended by all Manufacturing Site Directors and subject matter experts, this Committee aims to establish clear health and safety standards across the Group and monitor risks to drive the continual improvement of our health and safety performance. This Committee meets bi-monthly and reviews performance, key risks, safety alerts and also works to support the implementation of enabling systems. One of the key decisions in the current year was to support the implementation of a HSE software system to centralise HSE reporting. This software tool will open up opportunities to report accidents, near misses and hazards to all employees using a simple reporting portal and will provide greater insight into the health and safety culture across the sites. This will help to direct future investment in infrastructure, standards and training to achieve zero harm across our Manufacturing and Supply business.

We are also proud to report that during the current year using the existing reporting framework, our employees continued to engage proactively with our Health and Safety improvement programme and reported 1,149 hazards versus 558 for the previous year. Each of these hazards represents an unsafe condition, which if left unchallenged could potentially cause an accident or incident. Our employees have proactively sought out opportunities to make our workplaces safer and we have fully supported them in reducing any risks. In recognition of a 'Positive Contribution to Safety' a number of our sites have implemented schemes to recognise employees and/or teams for their actions to make the workplace safer for all colleagues. We will continue to focus on proactive safety measures and will encourage everyone across the business to bring our Safety Principles to life and step in if they see unsafe conditions or actions.

LTA

For a number of years the Group has reported Lost Time Accident Frequency Rate (LTAFR) as a non-financial key performance indicator (see page 36). A LTA is any absence or the inability of employees to conduct their full range of normal working activities for a period of more than three working days after the day when the incident occurred. Any acquisitions during the year are included from the first full month that they become part of the Dechra Group. We have maintained a rigorous focus on health and safety. Over the course of the last 12 months the LTAFR has reduced from 0.21 to 0.17. The number of incidents has remained the same at six. Four incidents occurred in our manufacturing facilities and two in the sales and marketing organisations. There were no fatalities (employees or contractors). Two of the manufacturing facilities, Bladel and Melbourne, have now had over 24 months without an LTA and one of the manufacturing facilities, Zagreb, has had over 12 months without an LTA.



All accidents and incidents are investigated by Line Managers with the cooperation of safety representatives or other employees who are aligned to an area. When an accident occurs, each site conducts an investigation which aims to identify the root cause of the incident including any workplace hazards, system or behavioural errors. Corrective and preventative actions are then implemented. For all LTAs and high potential hazards or high potential near miss incidents, a safety alert is issued to share any learnings and enable preventative actions to be implemented quickly across all sites.

Any material health and safety issues or incidents that occur are discussed in detail at both business unit senior management meetings, and PLC Board meetings. Discussions include details of incidents and any remedial action taken to mitigate or prevent recurrence. Twice a year a comprehensive health and safety report is presented to the PLC Board meeting for discussion and review by the Directors.

Corporate Social Responsibility continued

Our Environment



43%
waste incineration with energy recovery



29.6%
energy used by Zagreb by solar

We recognise the importance of good environmental practices. We are committed to minimising the impact of our operations on the environment by adopting responsible and sustainable environmental practices and complying with applicable environmental legislation. Our key focus areas are:

- Waste: prudent use of all natural resources, minimising waste in all activities, and the appropriate disposal of waste;
- Energy: optimising the energy we use; and improving energy effectiveness through initiatives on transport and reducing our greenhouse gas emissions; and
- Sustainable raw materials: to use sustainable raw materials in our nutrition range wherever practicable.

During the financial year we have upgraded our carbon emission software, so in addition to energy usage, the impacts from waste generation, water use, effluent disposal and refrigerant gas losses are also captured from locations where this is likely to be material. The sites that have a material impact are our manufacturing and logistics facilities.

Waste

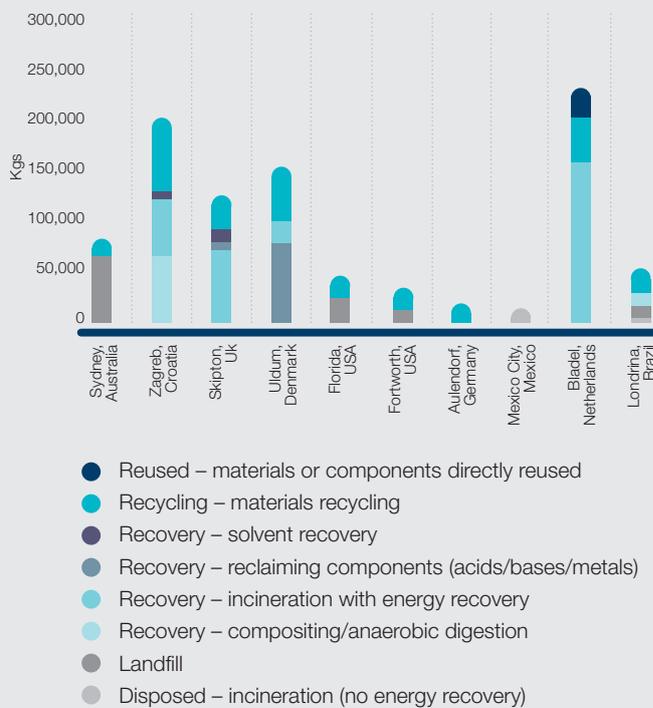


We are committed to the prudent use of all natural resources and the minimisation of waste in all activities from the specification of incoming raw materials, the use of materials in production activities and packaging, and the distribution of products into the supply chain. Where waste is unavoidably created we will manage its disposal in the most appropriate manner giving full consideration to environmental issues.

One of the most important impact areas for Manufacturing and Supply is waste generation, the management of which must be carefully controlled so that any hazardous substances or contaminated materials are disposed of correctly. In the 2020 financial year 21% of all our waste was classified as hazardous.

Our ultimate aim is to be zero to landfill and to achieve this target all of our sites are encouraged to increase reuse, recovery, or recycling of waste (where locally available).

Total Waste – Fate of Waste



Waste is reported according to the EU Waste Directive categorisation system, including the definitions for the environmental fate of the waste. The following diagram shows the waste disposal method for the total waste volume generated across Dechra Manufacturing and Supply sites in the 2020 financial year:

Total Waste – Waste Disposal Method



| | |
|---|-----|
| Reused – materials or components directly reused | 2% |
| Recycling – materials recycling | 28% |
| Recovery – solvent recovery | 1% |
| Recovery – reclaiming components (acids/bases/metals) | 3% |
| Recovery – incineration with energy recovery | 43% |
| Recovery – compositing/anaerobic digestion | 8% |
| Landfill | 14% |
| Disposed – incineration (no energy recovery) | 1% |

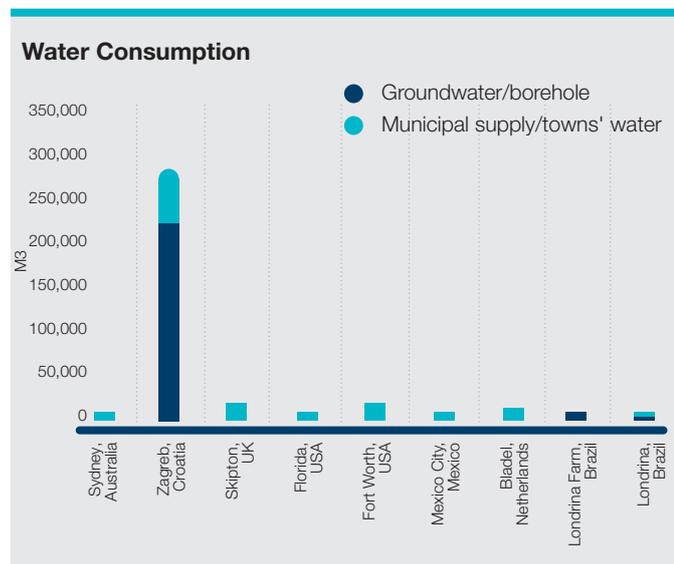
Reduction in Packaging Materials and Plastics

The Dechra Service Center in Uldum (DSC) has taken steps to be as environmentally friendly as possible by using 100% recycled paper for stuffing in shippers. All cardboard used for packing is made from 70% to 90% recycled material and all the cardboard boxes for the nutrition range are made from Forest Stewardship Council (FSC) material. In the rare situations where air pillows are required, these are made from eco-

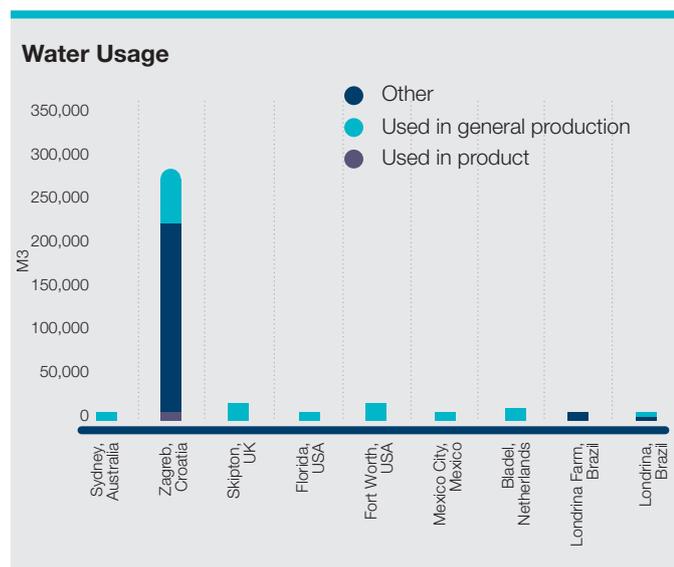
friendly plastic material that is biodegradable. The distribution centre in Auldendorf, Germany, uses old newspapers as fillers in packaging. We are in the process of developing our sustainable packaging strategy and have established a taskforce to look at this. We hope to be able to report further in our report next year about their recommendations and actions.

Water

This is the first year we have collated data on our water consumption at our manufacturing sites. The sites aim to use water responsibly so that usage does not negatively affect the communities where they operate, by diminishing the supplies of clean water or degrading the quality of that water. Water consumption is low in comparison with other manufacturing sectors. Water is used from two sources: the local towns' water supply; and abstracted from borehole (local aquifer). Both the facilities in Zagreb and Brazil abstract water under a licence.



Water is used in products, for cleaning and general production, and for cooling equipment and in processes.



Any contaminated water generated throughout the production process is disposed of as process effluent. Any waste water with the potential to adversely impact the environment is appropriately managed, controlled and treated prior to release. For Dechra Manufacturing sites, this includes all water used for cleaning purposes. In accordance with GMP requirements, to prevent cross contamination and to enable product reconciliation, used process equipment is generally drained, vacuumed or wiped clean prior to being washed. This reduces contamination washed to the effluent stream.

At the Zagreb site, large quantities of water are used for process cooling. Although this is a large quantity of water, this process is used instead of refrigerated cooling systems. At this site there is an on-site effluent treatment plant where settlement and pH correction occurs prior to discharge to the public sewer. The water used for cooling is returned to the environment warmer but clean.



Energy

Greenhouse Gas Emissions

In order to determine our carbon emissions, we use the GHG Protocol Corporate Accounting and Reporting Standard and we report on emissions arising from those sources over which we have operational control. Any acquisitions during the year are included from the first full month that they become part of the Dechra Group. The disclosures below encompass:

Scope 1: includes emissions from combustion of fuel and operation of facilities (excluding combustion from company cars);

Scope 2: includes emissions from purchased electricity, heat, steam and cooling; and

Scope 3: includes emissions from vehicles and from purchased electricity (which are not included in Scope 2) and, in the case of the 2020, financial year waste.

| | 1 July 2019 to 30 June 2020 | % relates to UK | 1 July 2018 to 30 June 2019 | 1 July 2017 to 30 June 2018 |
|--|-----------------------------|-----------------|-----------------------------|-----------------------------|
| Scope 1 (tonnes) | 6,403 | 6.3% | 5,521 | 3,823 |
| Scope 2 (tonnes) | 4,989 | 9.8% | 3,712 | 3,628 |
| Scope 3 (tonnes) | 1,962 | 6.1% | 2,149 | 1,659 |
| Total Carbon Footprint (tonnes of CO ₂ e) | 13,354 | | 11,382 | 9,110 |
| Intensity Ratio (tonnes of CO ₂ e per £m) | 25.9 | | 23.6 | 22.4 |

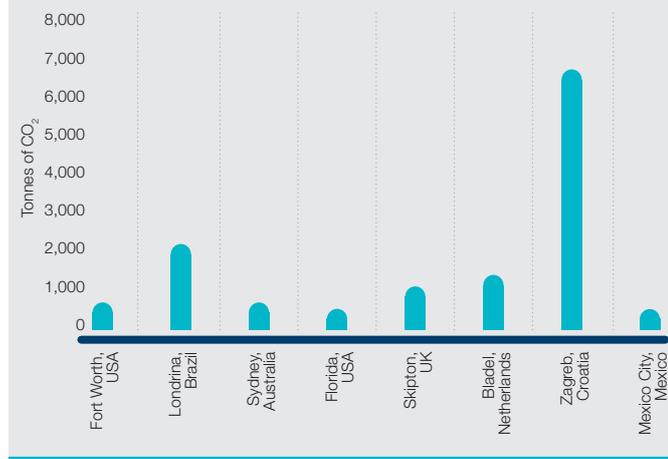
Corporate Social Responsibility continued

Emissions by Operation



Manufacturing

Emissions by Site (excludes mileage)



Our Manufacturing is the main contributor to our carbon footprint, and in particular the main contributors to Scope 1 are:

- Zagreb, due to the production of the nutrition supplement that is manufactured at Genera. The coating spray solution is ethanol based, and on completion of the coating, the ethanol vapour is extracted into a recovery plant which recycles 95% of the ethanol back into the production process. To meet environmental legislation, the site has an ethanol recycling unit which alone consumes approximately 60% of the energy utilised in this production area. Additionally, during the financial year we have transferred some of the production volumes of liquids and solids to this site. The higher production volumes in both of these as well as Vaccines and Disinfectants, has resulted in the site operating two shifts. We have, also, installed new energy capacities in renovated facilities and laboratories such as new equipment, additional HVAC (heating,

ventilation and air conditioning system) and cooling systems. All HVAC and cooling systems in production, laboratories and warehouses are now working 24 hours/365 days due to GMP requirements for temperature and humidity control.

- Londrina, due to the use refrigerated gas. A total of 307.1 kgs of gas were lost to the atmosphere across the Group which has a carbon equivalent of 903 tonnes, of which 99% was generated from the Londrina site. This is a 47% reduction from the previous year. Equipment containing refrigerant gases is used to control the temperature of the working environment and is also necessary for freeze drying and general process cooling applications. The site is continually reviewing their strategy to manage equipment containing refrigerant gases, including equipment management to prevent leakages and switching to refrigerant gases that have a reduced environmental impact.

Offices

Offices include our sales representatives and Scope 3 (which includes vehicle emissions) account for 1,159 tonnes of the 1,221 tonnes total. The number of electric vehicles within our fleet is increasing year on year.

Warehousing

Our warehousing facilities contribute 650 tonnes of carbon and 57% of this is in relation to the fuel used in the buildings. Our main facility in Uldum, Denmark is looking at alternatives to fossil fuel, which have a lower environmental impact and other energy improvements.

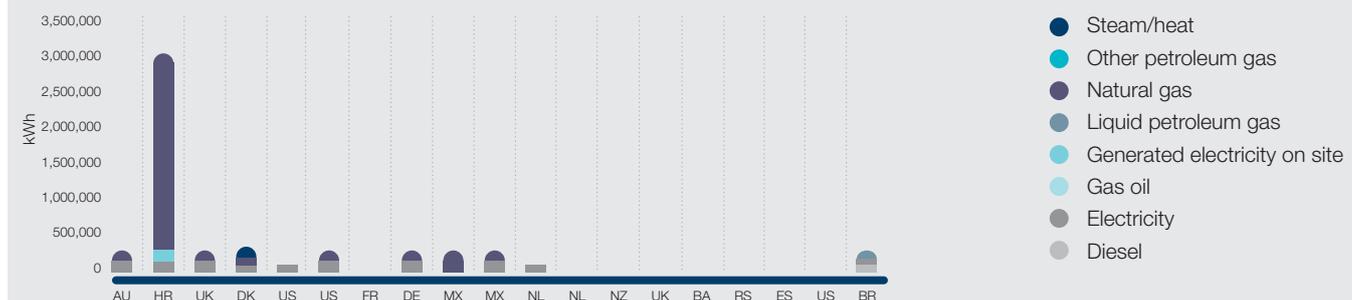
Kilowatt-Hour (kWh)

The kWh figures in the table below are the quantities of energy from activities for which the Group is responsible worldwide and the annual quantity of energy consumed resulting from the purchase of electricity, heat, steam or cooling and vehicle fuel by the Group for its own use and arising from those sources over which we have operational control.

| | 1 July 2019 to 30 June 2020 | % relates to energy consumed in UK |
|------------------|--------------------------------|---------------------------------------|
| Scope 1 | 31,454,319 | 6.7% |
| Scope 2 | 16,180,991 | 11.5% |
| Scope 3 | 8,372,040 | 6.0% |
| Total kWh | 56,007,350 | 8.0% |

The principal measures that are been taken to improve the Group's energy efficiency are described within this section of the CSR report and include the use of sustainable energy, improving energy effectiveness through transport initiatives, reviewing the strategy to manage equipment containing refrigerant gases and continuing with the policy of replacing all non-LED lighting.

kWh used – All Sites



Sustainable Energy

Dechra has the largest solar panel installation of its type in Croatia, and it has been operational since 28 June 2019. The solar panels have generated 29.6% of the energy used at the site.

| | Total |
|-------------------------|------------------|
| HEP (kWh) | 5,366,447 |
| Solar power plant (kWh) | 2,254,633 |
| Total | 7,621,080 |
| % of solar | 29.58% |

Improve energy effectiveness through transport initiatives

The transportation of goods is the largest activity for the Dechra Service Center (DSC) in Uldum, Denmark. They handled 39,067 orders in the 2020 financial year, an increase of 5.9%, to customers worldwide.

Although the cost of transport is the predominant factor for choice of transportation, DSC has reviewed the method of transportation to find

a form of transportation with the lowest carbon footprint. The majority of the pharmaceutical products received by DSC are supplied from our manufacturing sites in Bladel, the Netherlands and Skipton, the UK. The products from Bladel are transported by road, whereas the products from the UK are shipped by sea and road. All road transport is only to be made with companies who can guarantee that the vehicles used conform to the Euro6 standard or higher. All sea transport agreements are with Shipping Conference companies, which requires high standards for shipping.

| | 2020 | 2019 | 2018 |
|-----------------------------|-------------------|------------|------------|
| Shipments | 39,067 | 36,905 | 30,409 |
| Total Weight (GRT) | 19,304,216 | 19,399,930 | 16,665,247 |
| CO ₂ Outlet (kg) | 1,684,872 | 1,670,037 | 1,393,046 |
| CO ₂ per kg | 11.5 | 11.6 | 12.2 |

Taskforce for Climate-related Financial Disclosure (TCFD)

The TCFD was established to help identify the information needed by investors, lenders, and insurance underwriters to assess and price climate-related risks and opportunities appropriately. The Taskforce structured its recommendations around four thematic areas that represent core elements of how organisations operate: governance; strategy; risk management; and metrics and targets.

| Recommendation | Dechra Approach | Further Information |
|--|---|--|
| Governance Disclose the organisation's governance around climate-related risks and opportunities. | The Board is accountable for approving our CSR strategy and overseeing the delivery of our climate-related objectives. Our Senior Executive Team (SET) are responsible for delivering on these objectives within their functional areas and business units. The Board and the SET are supported by a cross-functional CSR Committee who work with them to define our CSR strategy, and set objectives and targets which are aligned with the United Nations Sustainable Development Goals. | |
| Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material. | Our environment strategy and objectives are described in our Corporate Social Responsibility Report. Our policy is that we are committed to minimising the impact of our operations on the environment by adopting responsible environmental practices and complying with applicable environmental legislation. | Corporate Social Responsibility (pages 58 to 61) |
| Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks. | We have assessed the impact of climate change as part of our normal risk management process and concluded that there is likely to be some financial risks which would need to be managed, but none that would materially impact our business model. This assessment is consistent with the Sustainability Accounting Standards Board's (SASB) Materiality Map which indicates that the issue is not likely to be material for the pharmaceutical sector. | How the Business Manages Risk (pages 70 to 72) Emerging Risks (page 76) |
| Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | Our environmental metrics and targets are described in our Corporate Social Responsibility Report. The key targets are: <ul style="list-style-type: none"> • minimise waste disposal in our manufacturing sites; • reduce carbon emissions by optimising our energy usage and an eco-friendly, cost-effective distribution system; • reduce packaging materials and pallets; and • use sustainable raw materials in our nutrition range. | Corporate Social Responsibility (pages 58 to 61) |

Corporate Social Responsibility continued

Sustainable Raw Materials in Our Nutrition Range



Recipes and Ingredients

All of the krill, fish oil and fish meal used in the dry SPECIFIC diets are certified by either Marine Stewardship Council (MSC), IFFO RS Standard or Friends of the Sea. We regularly review our top ten ingredients, assessing the risk of scarcity and putting in place plans if we feel there is a growing risk. We have recently started to use algae, in our new sardine cat food, this ingredient is a rich source of omega-3 and has a number of benefits:

- commercial algae production takes place on shore, so has no impact on the marine environment;
- it uses a highly controlled process that takes very little land and does not use valuable drinking water or arable soil and,
- directly using algae as an ingredient helps preserve fish stocks.

As well as ensuring the provenance of our ingredients we are also interested in how these ingredients are produced. The sardine used in our new cat food are caught, in MSC certified fisheries, using a low impact ring netting system. With trawl netting the nets are towed through the water. With ring netting, a net is used to encircle a shoal of fish forming a deep curtain of netting suspended vertically through the water, the net is then drawn in. There are a number of advantages to ring netting, and they are:

- by-catch is reduced because if the wrong species are in the net, the whole catch can be released unharmed;
- less seabed impact as the net does not come into contact with the seabed; and
- lower fuel consumption as the ring net is not towed through the water and the vessels used are small inshore vessels.

Packaging

In 2018 we changed the packaging of our cat food, reducing bag height, using thinner bags and introducing a flat bottom. This reduced plastic use by 3,000kgs per year. In 2020, we have made the same changes to our range of dog food, which is projected to save a further 18,000kgs of plastic per year. All of our cardboard cartons are now FSC certified.

In 2020, we are launching a new range of organic diets including dry foods in recyclable bags. Virtually no dry pet foods are currently in recyclable packaging. The reason is that dry pet food bags have to provide both excellent barrier properties and strength to handle the supply chains, and up to now the only way to achieve this was to use bags made from two or three layers of different types of plastic. Because they are a mix of different types of plastic, they are generally unsuitable for recycling.

Our new organic dry food bags are made from layers of the same type of plastic but with a gas barrier between the layers. This gives packaging that is both lighter and stronger than conventional bags but because it is a single type of plastic, it can be recycled where collection systems allow.

The organic diets are the start and we are committed to having all of our Specific diets in recyclable packaging by 2023.

ORGANIC DIETS

FROM THE VETERINARY NUTRITION EXPERTS

SPECIFIC diets are developed by veterinary healthcare professionals and sold through the vets to provide the ideal nutritional profile for the needs of cats and dogs - supporting your pet's health and energy.

Our range of organic diets are all made with the same healthcare expertise but with a minimum of 95% certified organic ingredients.

THE SPECIFIC™ ORGANIC RANGE

A complete range of organic everyday wet and dry diets and treats for cats and dogs with at least 95% of ingredients from controlled, certified organic origin.

DRY DIETS made with fresh organic chicken and turkey and millet, rice and oats or maize with at least 95% of ingredients from controlled, certified organic origin.

WHAT DOES ORGANIC MEAN?

Organic foods are grown without the use of pesticides, chemical fertilisers or the prophylactic use of antibiotics and with high standards of animal welfare.

- Organic farmers manage soil quality with natural methods** such as crop rotation and natural organic compost and manure
- Organic farmers manage disease and pests with natural methods** - creating nutrient-rich soil to give strong, disease resistant crops and by encouraging wildlife to control pests
- Organic farmers manage disease, in animals, without the routine and prophylactic use of drugs and antibiotics.** Organic farmers use natural methods such as moving animals to fresh pasture and by keeping smaller herd and flock sizes in healthier conditions
- Organic farmers rear animals in an environment that provides both space and allows the animals to satisfy their natural instincts,** not only meeting animal welfare needs but also producing healthy and robust animals.

RECYCLABLE PACKAGING FROM SPECIFIC™

We are delighted to be able to say that our new range of organic diets are in recyclable packaging.

This is merely the start and we are committed to having all of our products in recyclable packaging by 2023.

Most dry pet food bags are made from two or three layers of different types of plastic making them mostly unsuitable for recycling. Our new recyclable packaging is made from layers of the same type of plastic, with a gas barrier between the layers, giving all of the food protection in a form more suitable for recycling.

Dechra Veterinary Products | Salscross Business Park | Redhill | Shrewsbury | Shropshire | SY4 4AS | United Kingdom | T: +44 (0) 1529 211200 | E: info.uk@dechra.com



Our Business



37

Product Development Projects

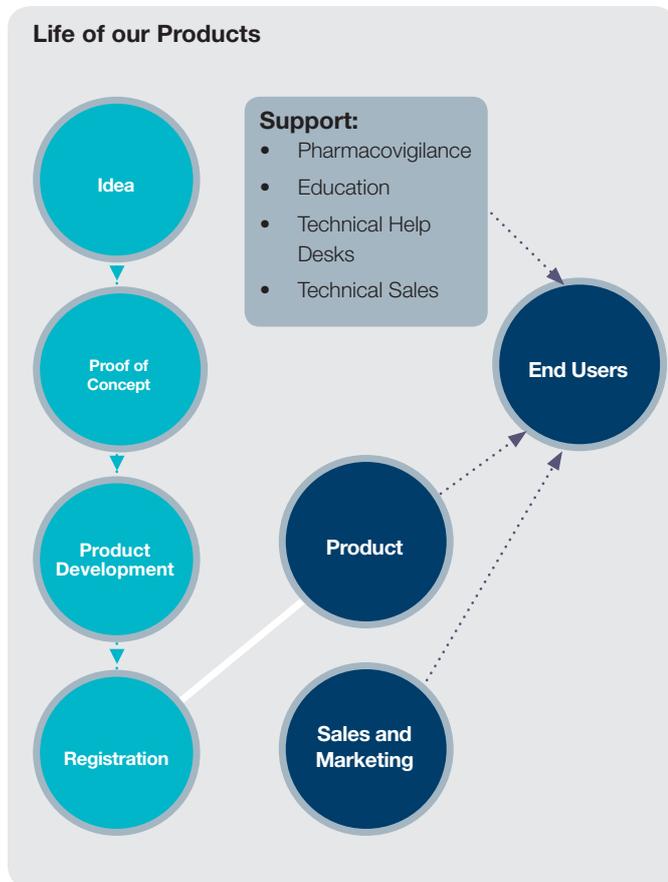
68,000

Academy Users

Our key focus areas are:

- Life of our Products: the development and promotion of products to improve animal welfare;
- Veterinary Professionals: maintaining and improving the knowledge and skills of veterinarians who prescribe and use our products; and
- Ethics: acting honestly and with integrity.

Life of our Products



Product Development

It is our mission to develop products to improve animal welfare. In line with that commitment, we carefully consider the responsible use and humane treatment of animals in all of our required studies. When we are required to conduct studies to achieve product registrations, we minimise the number of animals to achieve the necessary outcomes. Whenever possible, we will use information that can be derived from existing publications in an effort to limit the number of studies needed.

The scientific purpose of involving animals in the development of our products is reviewed and approved by Regulatory Agencies. For each individual study, an Animal Welfare Committee approves the protocol.

We are committed to the following principles:

- animals must be treated humanely with greatest consideration given to their health and welfare and consistent with meeting the necessary scientific objectives; and
- all animal studies should only be performed after considering whether the numbers of animals can be reduced, replaced by in vitro methods, or the procedures refined to minimise distress.

The Animal Welfare Committee ensures that a minimal number of animals are used and that their treatment is humane, and Dechra inspects all facilities which perform testing to confirm proper care and treatment of animals is evident. Additionally, a full review of the study design will be approved by their Animal Welfare Committee for clinical studies. In all instances only animals with the disease the product is intended to treat will be used and owner consent for the trial is obtained.

Pharmacovigilance

All employees, except production and logistics operatives, receive pharmacovigilance training within one month of joining Dechra. This is then verified by the pharmacovigilance e-learning module on Delta. These employees undertake an annual pharmacovigilance refresher training. The pharmacovigilance training outlines the procedure that should be followed by all Dechra personnel if they are informed of a product complaint.

Any time that Dechra receives a report of an adverse event occurring after the administration of one of its products, the Company treats the report seriously and it is Dechra's obligation to review the case to determine whether its product may have caused or contributed to the adverse event. All suspect adverse reactions are reported to the appropriate regulatory authorities.

➔ Read more about our [Product Development](#) on pages 40 to 43

Corporate Social Responsibility continued

Promotion of Products

To maintain the trust of veterinarians and the public, it is important that we provide accurate, fair and objective information on our products and medicines to support their safe and effective use. We do not make false or misleading claims about our products.

We advertise and promote our products fairly using promotional materials which contain balanced, accurate and truthful information. We only promote based on the information included on the Summary of Product Characteristics (SPC)/Product Insert which is a document that is approved by the regulators as part of the marketing authorisation of each medicine. We are members of the industry associations in the majority of countries where we have our own sales teams, and follow the industry association's marketing and promotional guidelines in these countries. All our promotional material is approved internally by an appropriately qualified regulatory manager, technical product manager or veterinarian. In addition, we train all customer-facing employees so that they have sufficient product and disease knowledge to enable them to present information on our products accurately and responsibly. We only promote our products to veterinary professionals, using promotional materials approved by authorised persons independent of the sales force.

Promotional compliance is monitored by our country managers and regional sales managers and the internal audit team also conduct a regular review of compliance processes, and corrective actions are taken to address any issues identified.

The volume and value of payments to animal health professionals is very modest compared to payments to healthcare professionals by the human pharmaceutical industry. We only make modest fee-for-service payments to key opinion leaders who help us develop and deliver educational materials events and to veterinarians who we use to conduct clinical trials. There are currently no regulatory or industry requirements to publicly disclose promotional violations or payments to healthcare professionals.

Our Products

Our products are all targeted at providing veterinary professionals with solutions for their customer needs. Our products can be divided into four categories: Companion Animal Products (CAP), Food producing Animal Products (FAP), Equine, and Nutrition.

We have developed a strong position in providing specialist and clinically necessary novel CAP products, especially in internal medicine and critical care products such as anaesthesia and analgesia, where we have a wide range providing the veterinarian with an optimal solution for most cases.

Our FAP products are positioned to match current best practice prescribing habits and to meet the growing awareness for the need for better animal welfare standards.

Veterinary Professionals



Our relationship with veterinarians is key to our business and therefore, we provided added value services in the form of educational programmes and technical support to maintain and improve the knowledge and skills of veterinarians who prescribe and use our products. In addition, we provide scholarships to the next generation of veterinarians.

Education

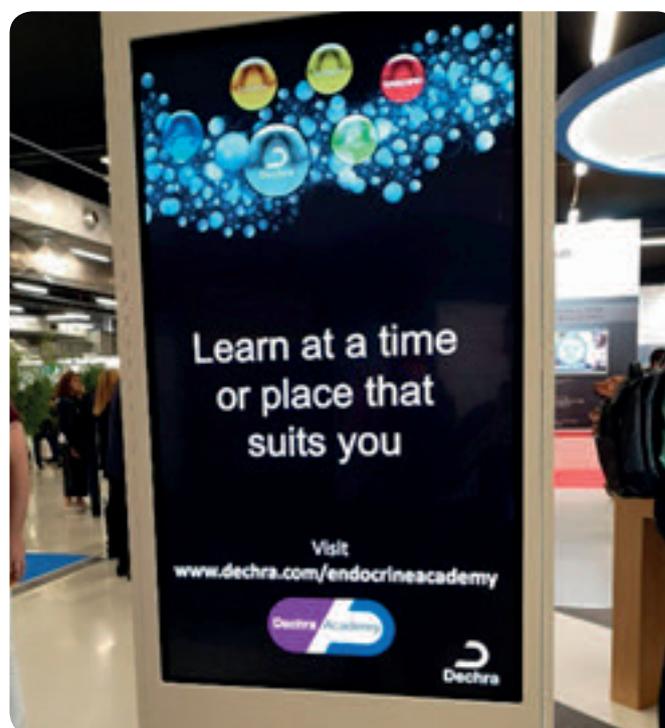
We deliver education through many channels, including conferences and our online digital e-learning environment, the Dechra Academy.

Academy

During the year, the Dechra Academy has received substantial effort and investment with the launch of a new system in February 2020.

The benefits of the new system include:

- A.I. Powered, the system can recommend similar courses based upon what the user has viewed;
- new promotional capabilities which allow us to highlight new courses and products for our customers; and
- multiple domains which allow us to have a global site and create bespoke versions for each of our key markets.



Using modern design and up-to-date training methodologies we are growing our position as one of the best educational resources for veterinary professionals. The Dechra Academy is a key differentiator for Dechra and our most important digital asset.

Noticeable achievements over the last 12 months are:

- courses available in 18 languages (2019: 16 languages)
- 68,000 registered users (2019: 52,000 registered users)
- 334 courses (2019: 168 courses)
- 2,200 average users per month (2019: 1,060 average users)
- four local market domains (2019: two local market domains)
- promotion and demonstration at two European Congresses

In the EU alone, we held 200 Dechra Academy Live Events with over 7,000 veterinarians attending and 60 Dechra Academy Webinars with over 16,000 veterinarians attending.

Our focus for the next 12 months will be the continued roll out of the local domains, supported by local Marketing Teams, to increase usage of The Academy across the globe. In addition, we are in the process of developing a mobile app to increase our usability and appeal to a younger audience. These will also include a variety of new content for our customers.

CPD Events

During the financial year, we held 2,000 Continuing Professional Development (CPD) sessions in the EU with over 10,000 veterinarians attending and 323 CPD events in North America with 8,023 attendees. Our International business:

- held a two day distributor meeting in Zagreb where training was provided to 39 participants;
- delivered education via seminars to a further 275 veterinarians; and
- held the equivalent of 249 distributor training days.

Technical Support

With the wide range of products we offer which includes those that treat complex and less frequently occurring disorders such as Cushing's and Addison's, the provision of a high quality veterinary technical support is a service that the veterinarians truly value.

Veterinarians across the globe can email technical services or call the telephone support lines provided in all the countries where Dechra operates. Veterinarians call Dechra to discuss:

- diagnosis;
- treatment options; and
- the ongoing monitoring and management of conditions, particularly those that are lifelong.

Our aim is to help veterinarians optimise the case management of each individual patient, and some veterinarians will call a number of times for support and advice on more complex cases.

In our smaller markets we will have a veterinarian responsible for providing veterinary support. This compares to our larger markets where we have more veterinarians that will collaborate across all sectors of the industry. The UK has one of our largest teams, and in the last financial year this team handled around 8,000 customer enquiries, 52% of which were related to our endocrine treatments *Vetoryl* and *Zycortal*. In 2020, the US Veterinary Technical Support team provided technical support for over 9,000 new cases, with close to 40% specific to *Vetoryl* and *Zycortal* products. In addition, these larger markets will also have field based veterinarians providing technical support and carrying out 'lunch and learns'.

Italy

Our team in Italy have taken the provision of veterinary technical support one step further. They have secured the services of the University of Bologna in order to offer a comprehensive service for veterinarians with questions about endocrinology and anaesthesia – two of our key therapy areas. This service is available to all veterinarians in Italy and is promoted through the sales team and on social media.

Over the financial year there were nearly 500 contacts from veterinarians, 75% of them by telephone. As with the UK, a large number of these calls concerned Cushing's and Addison's, with the majority looking for help with treatment and monitoring of these cases.

"This is a very important service for our customers", says Riccardo Data, the Country Manager for Dechra Italy. "Not only are we helping veterinarians to deal with issues that they are facing on a daily basis, we are also working with the University on interrogating the questions asked and the specific areas that veterinarians are seeking advice on. We can then develop resources that will help support these veterinarians in the future."

As our technical veterinarians have an in-depth knowledge of our products and the diseases they treat they are often called upon to provide education for veterinarians, recent graduates and veterinary students. Their expertise is also put to good use in supporting Dechra's own sales and marketing teams and our distribution partners, enabling all sales teams to be well trained and our marketing messages to be relevant and technically accurate.

We have put a lot of effort into providing a good level of support for our customers and this is reflected in the fact that our UK Veterinary Technical Services team has been ranked by our customers as the 'best in class' technical helpline for four out of the last five years.*

* CM Research Syndicated Sales Rep Survey (over years 2016–2020).

Corporate Social Responsibility continued

Ethics



We are committed to acting responsibly and with integrity. We comply with the laws and regulations and respect the traditions and cultures of the countries in which we operate.

Honesty and Integrity

We are committed to acting responsibly and with integrity. This is reflected through our Values. We expect our third parties to trade with honesty and integrity, and to support this we have a Third Party Code of Conduct, which communicates what we expect from our trading partners in relation to health, safety and environmental standards, internationally accepted standards of workers' rights, use of child and forced labour, ethical standards, anti-bribery and anti-corruption, and compliance with relevant laws and regulations.

During the year, we have reviewed all of our policies which underpin our internal Code of Conduct and compiled one page summaries which have been used as a basis for an internal training programme. During the forthcoming year, the training programme will be translated into nine languages and it will be rolled out to all of our employees. Our employees are encouraged to report behaviours that are contrary to our Code of Conduct via our How to Raise a Concern Procedure.

Anti-Bribery and Anti-Corruption

As Dechra continues to launch new products in new markets and enter into collaborative partnerships across the world, Anti-Bribery and Anti-Corruption (ABC) risk continues to be a key focus.

It is our policy to conduct all business in an honest and ethical manner. We take a zero tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, and to implement and enforce effective systems to counter bribery and corruption. The Audit Committee is kept regularly informed of the ABC programme.

All employees are required to comply with the Dechra ABC Policy, which was updated during the 2020 financial year. The ABC Policy clearly defines what constitutes bribery and corruption, outlining prohibited activities and providing guidance on what activities are allowed around the world. A new e-learning course for employees will be rolled out during the forthcoming year across the Group as compulsory training, to be repeated annually. Face-to-face bespoke training has been delivered to the Dechra Veterinary Products International and the Product Development and Regulatory Affairs teams, designed to specifically address areas of risk in the markets in which they operate.

We have also reviewed and updated our customer and supplier onboarding programme during this period, rolling it out across the Group as part of a dedicated training and monitoring exercise. We utilise ABC and Sanctions screening software which assesses Dechra's third party network on a continuous basis. Any new third parties are assessed for ABC risk and are required to complete a due diligence exercise where necessary. There is also an ongoing review of existing third parties at regular intervals (the frequency of which is determined by their ABC risk assessment level). Equally, ABC due diligence procedures are an integral part of all acquisition activity.

Human Rights

Dechra is committed to upholding and respecting human rights both within our business and from our suppliers. During the year, the Board approved a Human Rights Policy, a copy of which can be found on our website. The following sets out our Human Rights principles which are all embedded into our Code of Conduct for employees and our Third Party Code of Conduct for our suppliers and customers.

We do not use forced, bonded or indentured labour or involuntary prison labour or take part in human trafficking. We have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships. We are also committed to implementing and enforcing effective systems and controls to prevent modern slavery from taking place anywhere in our own business or any of our supply chains. Our Modern Slavery Statement can be found at www.dechra.com.

- We do not use child labour. We comply with international standards on the minimum age for employment. The minimum age for employment is 16 years of age. However, if the local minimum age law stipulates a higher age for work or mandatory schooling, then the higher age will apply.
- We treat people fairly and do not tolerate bullying and harassment. We do not discriminate for reasons such as age, gender, sexual orientation, marital status, race, colour, ethnicity, disability, religion, political affiliation or union membership.
- We provide a workplace free of harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers, and no threat of any such treatment.
- We recruit and promote people on the basis of their personal ability, contribution and potential. We are committed to promoting, supporting and maintaining a culture of fairness, respect and equal opportunity for all.
- We are committed to fair employment practices and comply with national legal requirements regarding wages, including minimum wages, overtime hours and mandated benefits, and working hours.
- We provide a safe working environment for those who work for us or with us. We reinforce good safety management practices and maintain awareness of safe ways of working.

Our Community



935 **£32.3k** **£247.2k**

Community Hours Cash Donations Product Donations

We believe that it is important to give back to the communities in which we live and operate. Our community ethos is aligned with our business Purpose and Values, in particular, our Relationships and Enjoyment Values. Our Community pillar focuses on:

- Community Activities
- Community Employment
- Community Donations

Community Activities

We encourage our employees to engage in community activities, in particular, volunteering in the fields of animal welfare, human service and environmental stewardship. There is a particular focus on animal welfare driven by the passion of our employees. We have committed to giving our employees one day per year in the community. A lot of our community activities this year have been postponed due to the social distancing restrictions imposed by COVID-19. Fortunately, our employees in North America held six events earlier in the year, volunteering a total of 935 hours. Two of the events were held during North America’s annual sales meeting, where over 100 volunteers arrived a day early for the week long meeting to give back to the local community that would host them. Four of the six events were focused on animal welfare, primarily supporting animal shelters, while one was a large-scale beach clean-up preserving our environment, and another serving local grade school children interested in science. In preparation for expanding volunteerism globally at Dechra, a Volunteer Service Tool Kit was developed and is now available to all Dechra employees for the purpose of encouraging and instructing how to properly engage their community and organise a volunteer event.

We also support professional staff volunteering time in their local community. Andrea Brownstein, US Territory Sales Manager volunteered with the National Disaster Medical System (NDMS), deployed earlier this year to help COVID-19 positive Wuhan evacuees at the start of the pandemic.

2020 Financial Year Community Volunteer Hours



Community Employment

We recognise that the Group has a responsibility to its stakeholders and we strive to contribute to the social and economic welfare of the local communities in which we operate. We recognise that by taking voluntary action in this area, it is helping to protect and develop our business:

- Offer employment opportunities to all sectors of the community through non-discriminatory policies and promoting opportunities to disadvantaged and vulnerable groups; and
- Support local initiatives for the development and education of young people in the areas we serve, such as Dechra product development staff located in the Maine office educating and exciting our next generation of scientists during the annual Bioscience Day for Maine grade school students.

Community Donations

For the last 9 years we have operated a Group Donations scheme, whereby we encourage all employees to nominate a charity or non-commercial organisation for a charitable donation. This year we donated to 15 charities each receiving £2,000 each. In addition to the annual Group Donations, each business unit has the discretion to allocate funds and/or products to local community charities and/or animal welfare charities. The majority of product donations are short dated product which otherwise would have had to be destroyed.

Group Donations



Business Unit Donations by Type



Corporate Social Responsibility continued

Bioscience Day



Growing a strong, sustainable bioscience community is fundamentally important to attracting talent. This involves developing a workforce for the future, and the first step in this process is often focused on exciting young students about science. To this end, the Bioscience Association of Maine (BioME) organises an annual event, Bioscience Day, which is all about engaging students and giving them insight into working in a science-based role. Two employees from the Dechra office in Maine, Roberto Garcia and Caryn Thompson, were delighted to join the fourth annual Bioscience Day as volunteers and to share their experiences with the eighth-grade students at Bioscience Day.

The event involved 24 schools and over 3,300 participants with 58 volunteers from 25 companies.

Caryn presented on measuring biodiversity and the children were given an exercise to simulate sampling forest birds and learnt how to assess species diversity via simple statistics, while Roberto gave an overview of the teamwork involved in developing veterinary drugs. He also gave the students an exercise which involved working in groups to create sample project plans and Gantt charts. He explained why he was eager to participate in the day:

"Today is an opportunity for me to give back to the community, and I think it's important to try and help the students figure out what they want to do as there are so many opportunities out there."

Roberto and Caryn will be attending the fifth annual Bioscience Day, and have already begun recruiting other Dechra volunteer scientists to join them. Whether the event is held in person or virtually, exciting the next generation with the importance of science to solve real world concerns is something Dechra employees are committed to.

Australian Wild Fires

In January 2020, the team at Dechra Australia supported efforts to help animals injured in the bushfires in New South Wales by donating antibiotics and pain medications to local veterinary clinics. The majority of the medications provided were used to treat wildlife, such as koalas and possums, brought to the clinics.

Tony Flint, NSW North Territory Manager, cited instances where companion animals belonging to people who had lost their homes had also been treated by medications donated by Dechra: "One story that was very touching came from Greencross Port Macquarie, who used some of the products received to treat burns to a dog whose owner had lost everything. He and his dog managed to escape from their burning house but his dog sustained burns to his feet. The owner was very touched when he learned that the clinic could treat his best friend at no cost."

Tony went on to describe the impact of what he had seen and heard over the last week whilst travelling around some of the worst affected areas: "Some of the stories I've heard have given me a real sense of the positive effect our support has had on people and animals in a time of great need. It puts a very human face to what we do."

